



Lincolnshire Association of Local Councils

Internal Audit Checklist 2023/24

Name of Parish or Town Council	Fosdyke Parish Council										
Parish Council website	https://fosdyke.parish.lincolnshire.gov.uk/										
Name of internal auditor	Steve Fletcher										
Dates of audit	Visit - 4 th June 2024 - 5.00pm to 8.35 pm					Document Revue - 18 th May to 6 th June					
Type of audit (Please tick)	Intermediate					<input checked="" type="checkbox"/>	Year-end (including AGAR)				<input checked="" type="checkbox"/>
Council contact information	Name					Email					
Clerk	Betsy Gratton					clerk@fosdyke.com					
RFO* if different	n/a					n/a					
Chairman*	Cllr J Cropley					enquiries@cropleycoach.co.uk					
Council specific emails	Staff	Y	<input checked="" type="checkbox"/>	N	-	Elected Members	Y	-	N	<input checked="" type="checkbox"/>	
Electorate	410				Total number of seats			5			
Quorum	3				Number of councillor vacancies			0			
Precept Demand 2023/24	£ 13,891.50				Gross budgeted Income			n/a			
Date of most recent internal audit	2023 – date unknown				Date of next audit (to be confirmed)			Year end			
		Y/N	Comments								
Has the internal auditor seen previous audit reports including the most recent?		N	Previous internal audit was not supplied. Advised by the Council that the document is unavailable due to unprecedented circumstances.								
Is there evidence that previous internal and external audit reports have been acted upon?		N	No evidence in available documentation that previous report was received or actioned by the Council								

Key governance review		Y/N	Comments & recommendations	Risk ⁱ		
				Low	Med	High
1	Standing Orders (tailored and reviewed)	Part	Standing Orders have not been reviewed during the 2023/24 period.		✓	✓
2	Financial Regulations* (tailored and reviewed)	Part	Financial Regulations have not been reviewed during the 2023/24 period.			✓
3	Terms of reference (committees / working groups)	n/a	-	-	-	-
4	Councillors' Code of Conduct*	Y	Evidenced - website	✓		
5	Complaints procedure* (tailored and reviewed)	N	Not evidenced.		✓	✓
6	Insurance Cover <ul style="list-style-type: none"> • Reviewed annually • Certificate(s) viewed & valid • Employees' Liability Cover in place and published* • Public Liability Cover • Employees' Fidelity Guarantee • Councillors' ages reviewed and recorded 	Y	Evidenced –original documents. Effective date(s) June 2023 to May 2024 & June 2024 to May 2025	✓		
7	Council contact details available online	Y	Evidenced - website	✓		
8	Up to date employment contracts for all staff	Part	Evidenced – Sight of original documents dated December 2023.	✓		
9	Publication scheme in place*	N	Not evidenced.			✓
10	GDPR policies in place* <ul style="list-style-type: none"> • Record Retention Schedule • Data Breach Assessment • Process for dealing with a Subject Access Request • Security Compliance Checklist 	Y	Evidenced –original documents.	✓		
11	Arrangement for inspection of public records adequate*	N	Not evidenced 2023/24			✓
12	External audit report published by 30 Sept (if relevant)*	N	Not evidenced 2023/24			✓

Transparency		Y/N	Comments & recommendations	Risk		
				Low	Med	High
13	End of year accounts published by 1 July*	N	Not evidenced 2023/24			✓
14	Annual Governance statement published by 1 July* <ul style="list-style-type: none"> • Correctly claimed exemption from audit (if relevant) 					
15	Internal audit report published by 1 July*	N	Not evidenced 2023/24			✓
16	Agendas and meeting papers published within three clear days*	Part	Evidenced – website (since December 2023)	✓	✓	
17	Past 5 years of annual returns available online*	Part	Annual Return unavailable – 2022/23 missing and 2019/20 link broken		✓	✓
18	Asset register published by 1 July*	N	Not evidenced 2023/24			
Councils under £25K turnover and over £200K (Best Practice for those under £200K):						
19	All items of expenditure above £100 published by 1 July (over £500 for larger)	Part	Summary for 2022 and 2023 2423/24 to be published	✓		
20	Council responsibilities published by 1 July	Y	Evidenced - minutes	✓		
21	Draft minutes published within one month of the meeting	Part	Evidenced – website (since December 2023)	✓	✓	
Councils over £200K turnover:						
22	Senior officer salaries published*	n/a	*	*	*	*
23	Data on issues important to local people (e.g., parking, grants)*	n/a	*	*	*	*
24	Procurement information over £5,000 published*	n/a	*	*	*	*

Accounting		Y/N	Comments & recommendations	Risk		
				Low	Med	High
25	Cashbook maintained and up to date	Part	Evidenced – original documentation (since December 2023)	✓	✓	
26	Arithmetically correct (checks / balance)	Part	Evidenced – original documentation (since December 2023)	✓	✓	
27	Evidence of internal control	Part	Evidenced – original documentation (since December 2023)	✓	✓	
28	VAT* • evidence of recording • evidence of reclaiming	Y	Evidenced – original documentation (since December 2023)	✓	✓	✓
		N	No reclaims evident during 2023/24		✓	✓
29	All payments supported by authorised, minuted invoices	Part	Evidenced – original documentation (since December 2023)	✓	✓	
30	s.137* • Recorded separately within accounts • Within legal threshold limits for the current year • Spend in accordance with legislation	Y				
			Donation for Poppy Wreath 2023	✓		
31	Payments made in accordance with Financial Regulations • Cheques • Online banking • BACS • Direct Debit • Credit or debit cards • Other payments	Part	Evidenced – original documentation (since December 2023)			
					✓	✓

Budget		Y/N	Comments & recommendations	Risk		
				Low	Med	High
32	Annual budget in support of precept approved by full council*	Y	Evidenced – original documentation	✓		
33	Precept demand properly minuted*	Y	Evidenced - minutes	✓		
34	Earmarked reserves reviewed	n/a	*	*	*	*
35	Budget is monitored regularly with variances reported to council in line with Financial Regulations • Variances from budget explained	Part	Evidenced – original documentation (since December 2023)	✓	✓	

Income control		Y/N	Comments & recommendations	Risk		
				Low	Med	High
36	Income properly recorded and banked promptly	Part	Evidenced – original documentation (bank statements (since December 2023))		✓	✓
37	Precept income received in bank account	Y	Evidenced – original documentation (bank statements (since December 2023))		✓	✓
38	Effective security of cash and cash transactions	Part	Evidenced – original documentation (bank statements (since December 2023))		✓	✓
39	Effective security of card transactions	n/a	*	*	*	*

Bank reconciliation		Y/N	Comments & recommendations	Risk		
				Low	Med	High
40	Regular bank statement reconciliation	Part	Evidenced – original documentation (since December 2023)	✓	✓	
41	Balancing entries (adjustments) explained	n/a	*	*	*	*
42	Bank mandate up to date • Evidence of signatories	Y	Evidenced – original documentation – updated January 2024	✓		

Petty cash		Y/N	Comments & recommendations	Risk		
				Low	Med	High
43	Petty cash account used/authorised	n/a	*	*	*	*
44	Petty cash spending supported by VAT receipt(s)	n/a	*	*	*	*
45	Petty cash reported to Council	n/a	*	*	*	*
46	Petty cash float reconciled/reimbursed	n/a	*	*	*	*
47	Other	n/a	*	*	*	*

Year-end process – Ongoing Process		Y/N	Comments & recommendations	Risk		
				Low	Med	High
48	Accounting according to • Receipts and payments	Y	Evidenced from December 2023 only			✓
49	Bank statements reconcile to ledger	Part	Evidenced from December 2023 only			✓
50	Robust audit trail evident	Part	Evidenced from December 2023 only			✓
51	Debtors and creditors recorded	Part	Evidenced from December 2023 only			✓
52	Other	Part	The Parish Clerk is currently inputting 2023/24 available data onto SCRIBE software			✓

Asset control		Y/N	Comments & recommendations	Risk		
				Low	Med	High
53	Register of assets* • Exists • Reviewed • Up to date	Y N N		✓		✓ ✓
54	Assets inspected & Health & Safety issues considered* • Play equipment • Street furniture (1no. bench) • Fire safety • Defibrillator • Other	Y Y Y		✓ ✓ ✓		

Risk management		Y/N	Comments & recommendations	Risk		
				Low	Med	High
55	Risk Register / Management scheme in place	N			✓	✓
56	Annual risk assessment undertaken as a minimum	N			✓	✓
57	Financial controls and procedures documented	Part	See point 2 above		✓	✓
58	Regular financial reporting to Council in line with Financial Regulations	Part	Evidenced – minutes (since December 2023)		✓	✓

59	Reporting of bank balances minuted	Part	Evidenced – minutes (since December 2023)		✓	✓
60	Grants ratified and minuted according to policy	Part	Evidenced – original documentation	✓	✓	
61	Evidence of unusual activity from minutes	N	No evidence of unusual activity however historic minutes are inconsistent.		✓	

General		Y/N	Comments & recommendations	Risk		
				Low	Med	High
62	General Power of Competence <ul style="list-style-type: none"> • Council eligible • General Power of Competence adopted/ up to date 	Part n/a	Criteria partially met – two thirds of Cllrs elected at last ordinary Election (2023). Clerk does not hold CiLCA qualification but indicates willingness to attain.	✓		
63	Back up of files adequate	Y	Cloud storage that meets legislative requirements and external back up kept	✓		
64	Storage of files (paper and electronic) adequate	Part	Evidenced – original documentation (since December 2023). It is noted that some paperwork and records are unavailable.		✓	✓
65	Local Council Award Scheme <ul style="list-style-type: none"> • Foundation • Quality • Quality Gold 	N	Indication that the Council will review this in the following months.	*	*	*
66	Website Accessibility Statement published online*	Y	Evidenced website	✓		

Proper Process / Practice		Y/N	Comments & recommendations	Risk		
				Low	Med	High
67	Employee posts properly recorded/ correct job descriptions <ul style="list-style-type: none"> • Proper Officer (Clerk) & RFO 	Y	Evidenced – original documentation	✓		
68	List of Members' interests* <ul style="list-style-type: none"> • displayed on website • reviewed regularly 	Y	Evidenced website. Note: It is legal responsibility of individual Cllrs to update their own form regularly.	✓		
69	Declarations of acceptance of office* <ul style="list-style-type: none"> • New Councillor (where necessary) • Chairman 	Y Y	Evidenced – original documentation / Minutes	✓		

70	Co-options according to policy	n/a	*	*	*	*
71	Agenda documents correct	Part	Best practice agenda and minutes to be adopted by the Clerk following attendance of training.	✓	✓	
72	Minutes correct / signed*	Part	Evidenced – original documentation / Minutes since December 2024)		✓	✓
73	Council-owned email address account in place	Part	Clerk has separate email account – Cllrs council email accounts to be implemented July 2024	✓	✓	
74	Purchase order system used/correct	n/a	Adequate system operated – email / verbal orders supported by invoices	✓		
75	Purchasing authorised in line with Financial regs / limits	Part	Evidenced – original documentation (since December 2023)		✓	✓
76	Council operating within legal powers* • Legal powers identified in minutes	Part	Evidenced – original documentation (since December 2023)	✓	✓	
77	Delegation to officers or committees • Scheme of delegation • Limits set out in financial regulations and / or standing orders; • adhered to; • reported adequately	Part	Evidenced – original documentation (since December 2023)	✓	✓	

Payroll & HR		Y/N	Comments & recommendations				Risk		
							Low	Med	High
78	Written statement of particulars for all staff from day one (April 2020 onwards) *	Part	Evidenced since January 2024				✓		
79	Proper procedures for payroll, PAYE & NI*	Part	Evidenced since January 2024				✓		
80	Is payroll inhouse or external provider used? (Jan 2024)	Y	In-house	✓	External	✗	✓	✓	
81	PAYE & NI payments verified	Part	Ongoing process					✓	✓
82	Approval of salaries and increments	n/a	*				✓		
83	Approval of expense claims	Y	Evidenced website / minutes				✓	✓	

84	Minimum wage threshold met	Part	Unable to quantify for the whole 2023/24 period				✓	✓	
85	HR procedures and policies adopted / reviewed	Part	Contracts of employment in place. Associated policies under review			✓	✓		
86	Training policy and record staff /elected Members	Part	Training policy under review. Member of the LALC training scheme. Some training undertaken and planned.			✓			
87	Qualified Clerk <ul style="list-style-type: none"> • CiLCA 2015 or later • Level 4 Community Governance or higher 	n/a	Parish Clerk has indicated willingness to attain CiLCA qualification.			*	*	*	
88	Annual appraisals undertaken	n/a	Appraisal necessary during 2024/25			*	*	*	
89	Job description(s) up to date / reviewed	Y	Updated December 2023			✓			
90	Health and safety of staff workstation & PC equipment undertaken * <ul style="list-style-type: none"> • Display Screen Equipment 	Y	Parish Clerk has undertaken HSE module			✓			
91	Adequate Pension provision in place Parish Clerk / Chairman in contact with the pension regulator – work in progress.	N	LGPS				✓	✓	
			NEST						
			Other						
	• Automatic Enrolment for Staff*		Y		N		DD/MM/YYYY	✓	✓
	• Opt Out Evidenced*		Y		N		DD/MM/YYYY		
• Declaration of Compliance*		Y		N		DD/MM/YYYY			
• Redeclaration of Compliance		Y		N		DD/MM/YYYY	✓	✓	

Transaction spot check

Check number	1	2	3	4	5	6
Date	28.12.2023	12.01.2024	23.02.24	07.02.2024	23.02.2024	01.03.2024
Supplier	Currys	Euro Tech	Euro Tech	Tesco	LALC	PO Ltd
Item	Mobile Phone	USB Drive	PC Maint	Mobile Invoice	Training Fees	Stamps
Order minute reference	23/67	23/67	23/77	23/88	23/88	23/101
Evidenced	Y	Y	Y	Y	Y	Y
Payment minute reference						
Invoice value	69.00	147.00	290.00	11.00	78.00	10.00
Minute value agrees	Y	Y	Y	Y	Y	Y
Payment value agrees	Y	Y	Y	Y	Y	Y
Bank statement value agreed	Y	Y	Y	Y	Y	Y
Timely payment	Y	Y	Y	Y	Y	Y
VAT recorded	Y	Y	Y	Y	n/a	n/a
S137 recorded in ledger	n/a	n/a	n/a	n/a	n/a	n/a
S137 minuted	n/a	n/a	n/a	n/a	n/a	n/a
Notes						

Appendix: Additional Areas for Audit (Council Specific)

	Allotments – Land Plots	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
A1	Income for allotment rentals balance	Part	Evidence of discrepancy during 2023. Advised this has been corrected during 2024.		✓	
A2	Fees charged in accordance with approved rates	Part	As above		✓	
A3	Up to date occupancy details kept and securely retained	Part	Under review		✓	
A4	Agreements/licences issued to all plot holders	Part	Under review		✓	
A5	Corporate Membership of Professional Body	N	Council advised to join National Allotment Society as corporate body	✓	✓	

	Burials	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
B1	Cemetery accounts balance	n/a	*	*	*	*
B2	Fees charged in accordance with approved rates	n/a	*	*	*	*
B3	All interred ashes have certificates of cremation*	n/a	*	*	*	*
B4	Permits properly documented and stored*	n/a	*	*	*	*
B5	Cemetery regulations adopted and up to date	n/a	*	*	*	*
B6	Registers of burials and purchased graves completed correctly and stored safely*	n/a	*	*	*	*
B7	Burial certificates issued correctly	n/a	*	*	*	*
B8	Green slips returned appropriately to Registrar	n/a	*	*	*	*
B9	Legible cemetery burial plan up to date* • backed up if appropriate	n/a	*	*	*	*

B10	Business rates exemptions correctly applied	n/a	*	*	*	*
B11	Corporate Membership of Professional Body	n/a	*	*	*	*

	Charities	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
C1	Accounted for separately	n/a	*	*	*	*
C2	Independently audited*	n/a	*	*	*	*
C3	Returns filed within legal time limits*	n/a	*	*	*	*

	Community buildings	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
Cb1		n/a	*	*	*	*
Cb2		n/a	*	*	*	*
Cb3		n/a	*	*	*	*

	Markets	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
M1	Income for stall hire balances	n/a	*	*	*	*
M2	Fees charged in accordance with approved rates	n/a	*	*	*	*
M3	Up to date occupancy details kept and securely retained	n/a	*	*	*	*
M4	Statutory records kept / stored safely	n/a	*	*	*	*
M5	Agreements/licences issued to all stall holders	n/a	*	*	*	*

	Other	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
O1	-	n/a	-	-	-	-

Notes

High and medium risk items may lead to the internal auditor stating that the Council does not comply with one or more assertions on the AGAR form at the end of the financial year.

i High risk – these items should be dealt with as a **high priority** because they may affect one or more of the following – statutory and must be done, high financial risk which could reveal the council to losses, not compliant with Proper Practices in the Practitioners’ Guide, high risk of reputational damage, failure to comply may lead to penalties, prosecution, or legal action.

ii Medium risk – these items need to be improved to meet one or more of the following - statutory requirements, support internal control, reduce the risk of financial loss and reputational damage, improve governance, improve compliance with proper practices in the Practitioners’ Guide, and to improve procedures that should be in place.

iii Low risk – these items are usually **best practice** to improve governance, internal control, transparency, efficiency, and effectiveness.

*-Asterisked items are statutory requirements and **should be in place** where applicable.